GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:330
ANSWERED ON:24.11.2005
PURCHASE OF LNG FROM IRAN
Shiwankar Shri Maha Deo Rao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has signed an agreement with Iran for purchase of Liquefied Natural Gas (LNG) under the Indo-Iranian Gas Pipeline Project;

(b) if so, the total quantum of LNG agreed upon to be supplied by Iran alongwith the details thereof;

(c) whether the Government has demanded for more quantity of LNG;

(d) whether the price of the LNG, likely to be supplied to the country under the said agreement, has been fixed; and

(e) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (e): A Sale Purchase Agreement (SPA) for the purchase of 5 million tones per annum (MMTPA) of LNG was signed between GAIL (India) Limited (GAIL)/Indian Oil Corporation (IOC)/ Bharat Petroleum Corporation Limited (BPCL) and National Iranian Gas Export Company (NIGEC) on the 13th June 2005, in Tehran. The contract period is 25 years, beginning the last quarter of 2009. The pricing of LNG has been negotiated on commercial considerations and is linked to Brent crude prices with an appropriate floor and ceiling. On the basis of the present Brent crude prices, the amount payable to NIGEC for the import of 5 MMTPA of LNG would be around US$ 21 billion over the entire contract period of 25 years.

Further, the Indian Consortium is discussing import of an additional 2.5 MMTPA of LNG from Iran.